

HOW-TO

Establish business systems

BY PAUL WOLBERT

As business owners or managers, we've spent years trying to implement the secret of success by attending seminars, reading books and magazines, and listening to CDs about business systems and standards. When we're done with those things, we return to our businesses and are swamped by real life events that pose everyday challenges, and we never get to implement the ideas we just learned about.

All of us have heard advice from others: We need to systemize our businesses and set standards. This is probably the most important project to complete because it will go a long way to ensure short- and long-term success.

Systemization starts with documenting how we do what we do. This task has many names: systems, operations, and policies and procedures manuals. Whatever it's called, the purpose is to capture the collective intelligence or know-how of the business (the why, what, when, where, who and how of what a business does). Hence the business system.

The most important processes to capture are:

SALES, which describes how your business finds prospects, presents quotes and closes sales.

DELIVERY OR FULFILLMENT, which details how your product or service is delivered to your customers.

CUSTOMER SERVICE, which shows how your business stays in contact with your customers over time.

Others' systems might include: advertising and marketing; accounts payable, receivable and payroll; recruiting, hiring, inducting, training and performance; production, routing and scheduling; safety and quality; and administration, reception and record keeping.

To start capturing this information, start with a basic Word document, and write the simple steps that show how your company works through the process. Then expand on each step with a paragraph or two about the important steps involved, so it starts to become specific to your company. Write it as you would say it if you just hired a new salesperson. There is no wrong way to do this.

For each step, continue to identify the steps needed. Example: "How to

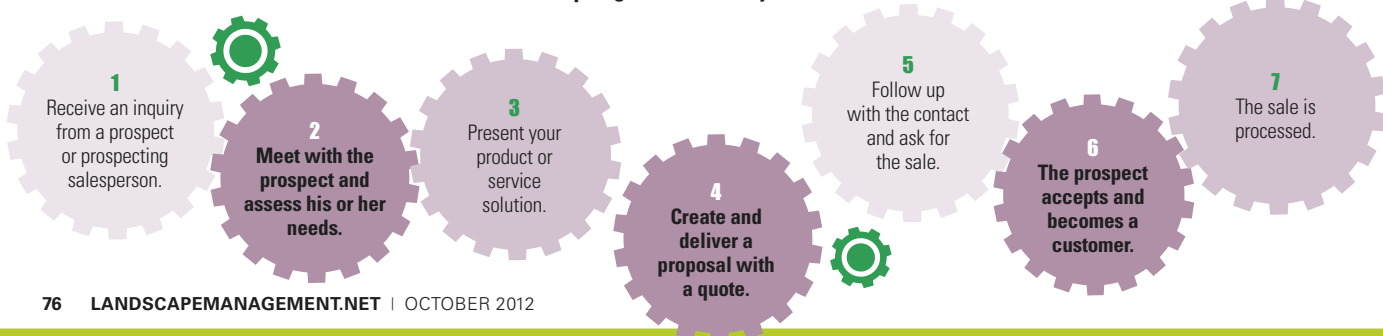
arrange a meeting with a customer" could be the title of a document that might be required to train new employees. Next, expand the detail. Once completed, you might have three, five or more pages that explain the actions required. Don't forget about the rules and guidelines that govern the decisions along the way. The bottom line is you need to make a profit. Typically, when one system ends, another starts. Be careful, and follow the plan.

Measure the effectiveness of your systems. When your systems are working, you'll know because you'll have:

- no customer complaints;
- high customer satisfaction;
- on-time service;
- no team complaints;
- high productivity;
- met goals and objectives; and
- a bottom-line increase.

Now for the test. Ask employees to explain a system. Then compare what they described to you with your interpretation. Additionally, conduct a customer satisfaction survey (you need to know what they're thinking), and ask your customers about their experiences with your business. You want to hear it all—positive and negative.

SALES SYSTEM EXAMPLE Here's a simple, generic sales system.





QUICK TIP

At each step in any system, analyze its effectiveness by looking at the inputs and outputs and measuring the result. In many cases, you'll have to decide what your goals are for certain steps first to determine if the system is delivering.

At each step in any system, analyze its effectiveness by looking at the inputs and outputs and measuring the results. In many cases, you'll have to determine what your goals are for certain steps first to determine if the system is delivering. For example, in the sales system, a goal could be the number of new proposals that end up as contracts. If you have set a standard or goal, you'll be able to measure the result and determine if the system needs to be adjusted.

A business with an up-to-date operations manual will experience higher productivity, because staff will execute tasks properly without continuously asking for clarity. It also will experience better staff accountability and greater customer satisfaction and confidence, resulting in higher sales and increased repeat business. Plus, it's easier to train new employees and cross-train existing employees. The owner also will be able to delegate more because he's not the only one with the important information, and there will be greater control of the flow of information throughout the business.

Be careful with the tasks of writing documents and creating folders, files, forms and checklists, or you may find yourself quickly developing another dilemma: how to organize and deliver the contents logically. In this case, less

is more. There are many tools available, such as software programs, to help you develop a systems manual. Yes, there's an app for that. Look around at the new software on the market.

It's critical to make a plan for the whole project at the start. Research the

available tools and expertise required to evaluate your intended method before jumping in too far. Look for the improvements at the bottom line. **LM**

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